

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Annual Compliance Report, 2015

Docket No. ACR2015

CHAIRMAN'S INFORMATION REQUEST NO. 19

(Issued March 7, 2016)

To clarify the basis of the Postal Service's estimates in its FY 2015 Annual Compliance Report, filed December 29, 2015,¹ the Postal Service is requested to provide written responses to the following requests and questions. Answers should be provided to the requests and individual questions as soon as they are developed, but no later than March 14, 2016.

In-Office Cost System (IOCS)

1. In its responses to CHIR No. 14,² the Postal Service states: "When an employee works in an office where MODS and TACS operation codes are not used, Q18A03 is left blank, resulting in the '---' in the Q18A03 data field." The Postal Service further states that "[a] subset of small offices does not use TACS, and these are generally in CAGs G, H, J, K and L." Responses to CHIR No. 14, question 2f. For each of the following CAG Group-Universe Sum totals provided by the Postal Service,³ please provide the number of offices that do not use MODS and TACS operation codes.
 - a. CAG Group G-Universe Sum: 3,200;
 - b. CAG Group H/J-Universe Sum: 8,806; and

¹ United States Postal Service FY 2015 Annual Compliance Report, December 29, 2015.

² Responses of the United States Postal Service to Questions 1-15 of Chairman's Information Request No. 14, February 23, 2016, question 2d. (Responses to CHIR No. 14).

³ *Id.* question 4a.

- c. CAG Group K/L-Universe Sum: 12,880.
2. The Postal Service Office of Inspector General audit report, “Sunday Parcel Delivery Service,” details the usage of hubs for Sunday delivery operations.⁴
- a. How many Sunday parcel delivery service hubs operated in FY 2015?
 - b. Please provide the IOCS finance numbers for the Sunday parcel delivery hubs that operated in FY 2015.
 - c. Please refer to Responses to CHIR No. 14, question 4a, Table 1. How many Sunday parcel delivery service hubs were included in the FY 2015 IOCS Panel Offices total?
 - d. Please refer to Responses to CHIR No. 14, question 4a, Table 1. How many Sunday parcel delivery service hubs were included in the FY 2015 IOCS Sampled Offices total?
 - e. Were any IOCS sampling changes made in FY 2015 to increase the number of hub-certain IOCS sampled offices?
 - i. If changes were made, please specify the method and purpose of the sampling changes.
 - ii. If no sampling changes were made, please specify why Sunday parcel delivery service hubs did not merit a sampling modification similar to what was done for international mail (*i.e.*, modification of the IOCS sampling selection to include offices with higher volumes of international mail).
3. Please provide an Excel or SAS file containing a unique IOCS record identifying key (*e.g.*, concatenating Q01 || Q02A || Q02B) and the following associated IOCS

⁴ See United States Postal Service Office of Inspector General Sunday Parcel Delivery Service, Report No. DR-AR-15-002, December 5, 2014, at 4 n.2.

record variables: F7, F9247, F9248, F9403, F9404, F9405, F9406, F9407, F9247, F9248, F9476, and F9477.

4. The following questions relate to the FY 2015 IOCS dollar weight⁵ and its adjustments to the FY 2015 cost pool accrued cost of all MODS 1 & 2 offices, and to the accrued aggregate facility cost for all non-MODS offices.⁶ The adjustment is made by multiplying the IOCS dollar weight by a factor. For IOCS MODS offices, this factor is the ratio of the cost pool accrued dollars (from the pay data system and MODS hours from all MODS 1 & 2 offices) to the cost pool IOCS dollars.⁷ For IOCS non-MODS offices, this factor is the ratio of the total accrued dollars of the non-MODS offices (total accrued costs for all non-MODS offices derived independently from IOCS) to the total IOCS non-Mods offices dollars.⁸ The following questions relate to the dollar differences between the accrued pay data system/MODS work hours and independently derived dollars, and the IOCS dollars used in the adjustment factor.
 - a. For the IOCS non-MODS offices, please explain the reason(s) why the total accrued costs for non-MODS offices (derived independently from the IOCS) is higher than the IOCS dollars.

⁵ The IOCS dollar amount assigned to the sample observation that reflects the sample design and accrued costs for CAG and craft group and is the value in the IOCS field "F9250."

⁶ See Docket No. R2006-1, Direct Testimony of Eliane Van-Ty-Smith on Behalf of the United States Postal Service (USPS-T-11), May 3, 2006, at 3 n.2.

⁷ See Docket No. R2006-1, Library Reference USPS LR-L-55, May 3, 2006, at II-19.

⁸ The accrued dollars total is entered in the "NONMOD1" SAS program in the USPS-FY15-7 SAS programs folder, GFY=4102307.593, and the IOCS dollars are in "Table I-4B" of the SAS Output Tables "nonmod1.html" file, in Library Reference USPS-FY15-7, December 29, 2015.

- b. For the IOCS MODS 1 & 2 offices, please explain why the IOCS dollars are higher than the accrued dollars from the pay data system and MODS work hours for the following cost pools:⁹
- i. “MANL;”
 - ii. “MANP;”
 - iii. “MANF;”
 - iv. “1PLATFRM;”
 - v. “INTL ISC;”
 - vi. “LD43;”
 - vii. “LD44;”
 - viii. “2WINDOW;”
 - ix. “REGISTRY;” and
 - x. “EXPRESS.”

By the Acting Chairman.

Robert G. Taub

⁹ The accrued pay data system and MODS work hours dollars are in USPS-FY15-7, “USPS-FY15-7 SAS Programs/Tables” filepath, Excel file “DOLWGT15; and the IOCS dollars can be found in USPS-FY15-7, “USPS-FY15-7 SAS Output Tables” folder, “mod1pool.html” file.